



Investor Presentation

Cactus, Inc. (NYSE: WHD)
August 2019





Important Disclosures

Non-GAAP Measures

This presentation includes references to EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, and EBIT, which are not measures calculated in accordance with accounting principles generally accepted in the United States of America ("GAAP"). A reconciliation of EBITDA, Adjusted EBITDA and EBIT to net income, the most directly comparable measure calculated in accordance with GAAP, is provided in the Appendix included in this presentation. While management believes such measures are useful for investors, these measures should not be used as a replacement for financial measures that are calculated in accordance with GAAP.

Forward-Looking Statements

The information in this presentation includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical fact included in this presentation, regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this presentation, the words "could," "believe," "anticipate," "intend," "estimate," "expect," "project" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on Cactus' current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. We caution you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond our control, incident to the operation of our business. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements described under the heading "Risk Factors" included in our SEC filings. These forward-looking statements are based on management's current belief, based on currently available information, as to the outcome and timing of future events. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to: demand for our products and services, which is affected by, among other things, changes in the price of, and demand for, crude oil and natural gas in domestic and international markets; the level of growth in the number of rigs, pad sizes, well spacings and associated well count and lack of takeaway capacity in areas such as the Permian Basin; capital spending discipline practiced by customers; the level of fracturing activity; the size and timing of orders; availability of raw materials; transportation differentials associated with reduced capacity in and out of the storage hub in Cushing, Oklahoma; expectations regarding raw materials, overhead and operating costs and margins; availability of skilled and qualified workers; potential liabilities such as warranty and product liability claims arising out of the installation, use or misuse of our products; the possibility of cancellation of orders; our business strategy; our financial strategy, operating cash flows, liquidity and capital required for our business; our future revenue, income and operating performance; the termination of relationships with major customers or suppliers; laws and regulations, including environmental regulations, that may increase our costs, limit the demand for our products and services or restrict our operations; disruptions in the political, regulatory, economic and social conditions domestically or internationally; import tariffs assessed on products from China or imported raw materials used in the manufacture of our goods in the United States; the significance of future liabilities under the tax receivable agreement we entered into with certain direct and indirect owners of Cactus LLC in connection with our IPO; a failure of our information technology infrastructure or any significant breach of security; potential uninsured claims and litigation against us; competition within the oilfield services industry; our dependence on the continuing services of certain of our key managers and employees; plans, objectives, expectations and intentions contained in this presentation that are not historical; and our ability to successfully remediate any material weakness in our internal control over financial reporting and disclosure controls and procedures. You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date of this presentation. We disclaim any duty to update and do not intend to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this presentation.

Industry and Market Data

This presentation has been prepared by Cactus and includes market data and other statistical information from third-party sources, including independent industry publications, government publications or other published independent sources. Some data is also based on Cactus' good faith estimate. Although Cactus believes these third-party sources are reliable as of their respective dates, Cactus has not independently verified the accuracy or completeness of this information.

Information Presented

Except as otherwise indicated or required by the context, references in this presentation to the "Company," "Cactus," "we," "us" and "our" refer to (i) Cactus Wellhead, LLC ("Cactus LLC") and its consolidated subsidiaries prior to the completion of our IPO and (ii) Cactus, Inc. ("Cactus Inc.") and its consolidated subsidiaries (including Cactus LLC) following the completion of our IPO on February 12, 2018. Cactus LLC is our accounting predecessor.



Executive Team

Scott Bender
President & CEO



- Mr. Bender has served as President and CEO since co-founding Cactus Wellhead, LLC ("Cactus LLC") in 2011.
- Mr. Bender previously was President of Wood Group Pressure Control from 2000 to 2011.
- Mr. Bender successfully built and monetized Ingram Cactus Company (sold to Cameron in 1996) and led Wood Group Pressure Control's profitable expansion until its sale to General Electric in 2011.
- Mr. Bender graduated from Princeton University in 1975 with a Bachelor of Science in Engineering and from the University of Texas at Austin in 1977 with a Master of Business Administration.

Joel Bender
Senior Vice President & Chief Operating Officer



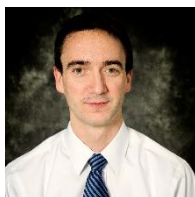
- Mr. Bender has served as Senior Vice President and COO since co-founding Cactus LLC in 2011.
- Mr. Bender previously was Senior Vice President of Wood Group Pressure Control from 2000 to 2011.
- Mr. Bender successfully built and monetized Ingram Cactus Company (sold to Cameron in 1996) and led Wood Group Pressure Control's profitable expansion until its sale to General Electric in 2011.
- Mr. Bender graduated from Washington University in 1981 with a Bachelor of Science in Engineering and from the University of Houston in 1985 with a Master of Business Administration.

Steven Bender
Vice President of Operations



- Mr. Bender has served as Vice President of Operations of Cactus LLC since 2011, managing all US service center and field operations.
- Mr. Bender previously was Rental Business Manager of Wood Group Pressure Control from 2005 to 2011.
- Mr. Bender graduated from Rice University in 2005 with a Bachelor of Arts in English and Hispanic Studies and from the University of Texas at Austin in 2010 with a Master of Business Administration.

Steve Tadlock
Vice President, Chief Financial Officer & Treasurer



- Appointed Vice President, Chief Financial Officer & Treasurer, on March 15, 2019.
- Mr. Tadlock previously served as Vice President and Chief Administrative Officer since March 2018, and has also served as VP of Corporate Services since June 2017. He has worked with Cactus LLC since its founding in 2011 as a Board observer.
- Mr. Tadlock previously worked at Cadent Energy Partners, where he served as a Partner from 2014 to 2017.
- Mr. Tadlock graduated from Princeton University in 2001 with a Bachelor of Science in Engineering and from the Wharton School at the University of Pennsylvania in 2007 with a Master of Business Administration.

David Isaac
Vice President of Administration and General Counsel



- Mr. Isaac has served as Vice President of Administration and General Counsel since September 2018.
- Mr. Isaac previously worked at Rockwater Energy Solutions, Inc. and most recently served as Senior Vice President of Human Resources and General Counsel.
- Mr. Isaac previously was the Vice President of Human Resources and General Counsel of Inmar, Inc.
- Mr. Isaac graduated from The College of William & Mary in 1983 with a Bachelor of Arts in Economics and from The Ohio State University in 1986 with a Juris Doctor.



Investment Highlights

1

A Leading Pure Play Wellhead and Pressure Control Equipment Solutions Provider for U.S. Onshore

2

Innovative and Differentiated Products with Presence Across Major Basins

3

Dynamic Manufacturing Capabilities

4

Returns Focused with Substantial Cash Flow Generation

5

Highly Experienced Management and Operating Team with Strong Industry Relationships

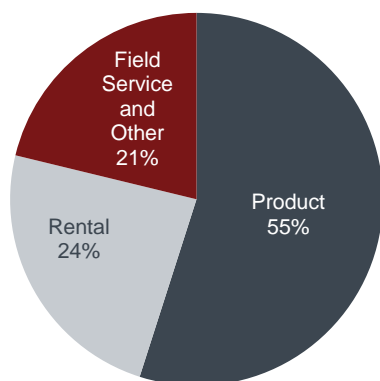
***Delivered
Significant
Growth Across
All Businesses
In 2018
And Well
Positioned In
2019***



Company Overview

Cactus designs, manufactures, sells and rents highly engineered products which yield greater pad drilling and completions efficiencies while enhancing safety

LTM Q2 2019 Revenue by Type

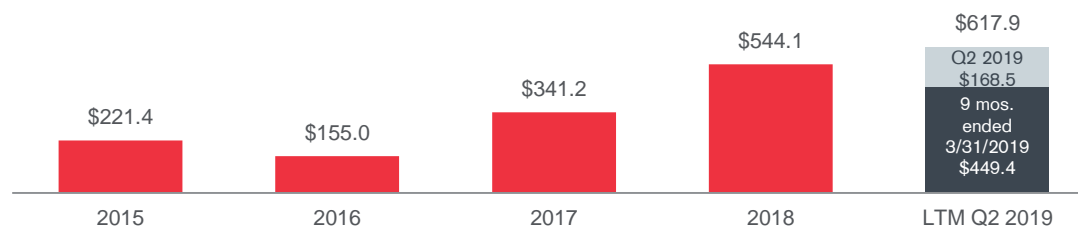


*Product Revenue Includes Drilling and Production Consumables

Selected Active Basins

- Bakken
- Eagle Ford
- Permian
- DJ / Powder River
- Marcellus / Utica
- SCOOP / STACK

Revenue (\$ in millions)



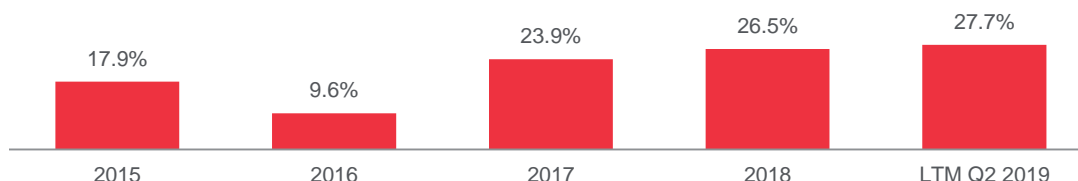
Adjusted EBITDA⁽¹⁾ (\$ in millions)



Adj. EBITDA⁽¹⁾
as % of
Revenue

Year	2015	2016	2017	2018	LTM Q2 2019
Adj. EBITDA ⁽¹⁾ as % of Revenue	28.5%	20.8%	32.9%	39.1%	38.3%

Adjusted EBITDA⁽¹⁾ – Net Capital Expenditures⁽²⁾ as % of Revenue



Source: Company filings.

1) EBITDA and Adjusted EBITDA are non-GAAP financial measures. Cactus defines Adjusted EBITDA as EBITDA excluding (gain) loss on debt extinguishment, stock-based compensation, and equity offering expenses. The Appendix at the back of this presentation contains a reconciliation of EBITDA and Adjusted EBITDA to net income, the most comparable financial measure calculated in accordance with GAAP.

2) Net Capital Expenditures equals net cash flows from investing activities.



Proprietary Equipment Across Drilling, Completion, and Production Phases of a Well

Technologically advanced wellhead and frac solutions deliver greater reliability and time savings

- Designed for pad drilling and intense completion environments
- Principal products: SafeDrill® wellheads, frac stacks, zipper manifolds and production trees
- Time savings can exceed 30 hours of rig time per well

Drilling



Completion (Frac)



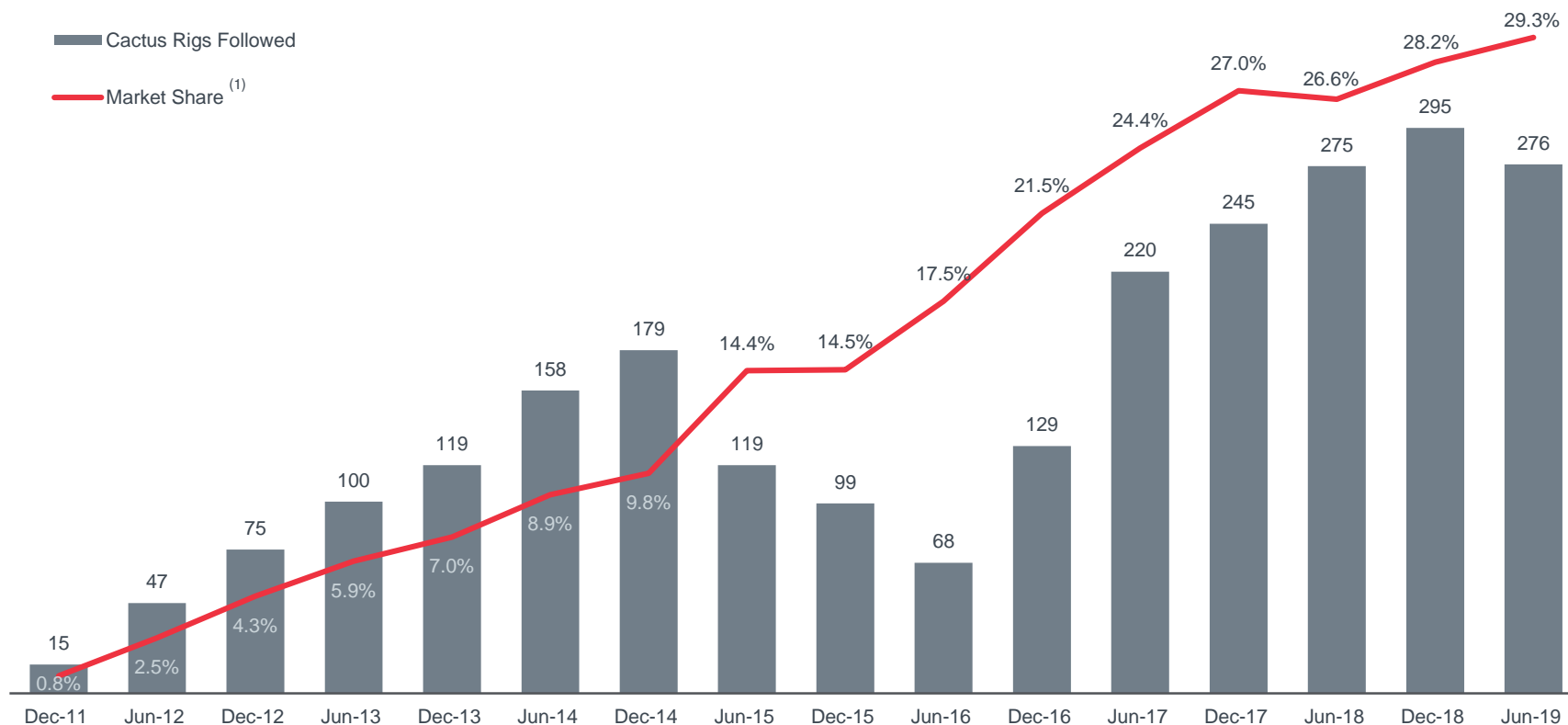
Production





Market Leader with Strong Growth

Historical U.S. Onshore Market Share⁽¹⁾



U.S. Onshore Rigs	1,931	1,899	1,729	1,694	1,703	1,780	1,820	825	684	388	601	902	909	1,035	1,045	941
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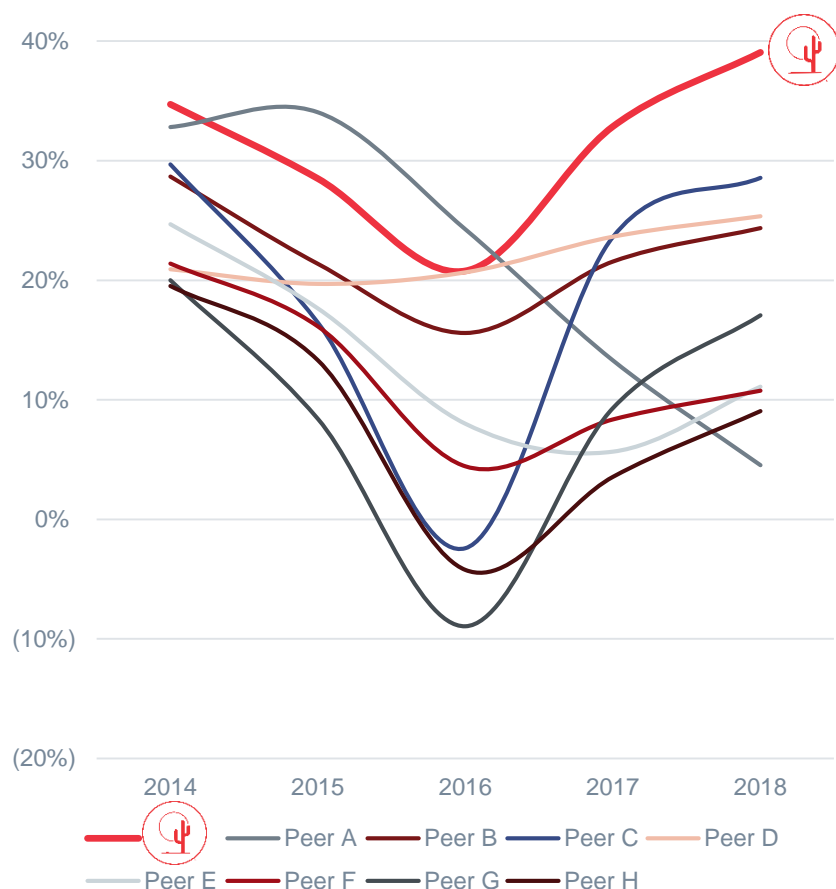
Source: Baker Hughes Rig Count Data, as published on the Friday on or immediately preceding the 15th day of each month presented, and Cactus analysis.

1) Represents the number of active U.S. onshore rigs Cactus followed divided by the total number of active U.S. onshore rigs, as of mid-month. The number of active U.S. onshore rigs Cactus followed represents the approximate number of active U.S. onshore drilling rigs to which Cactus was the primary provider of wellhead products and corresponding services during drilling, as of mid-month. Cactus believes that comparing the total number of active U.S. onshore rigs to which it is providing its products and services at a given time to the total number of active U.S. onshore rigs on or about such time provides Cactus with a reasonable approximation of its market share with respect to its wellhead products sold and the corresponding services it provides.

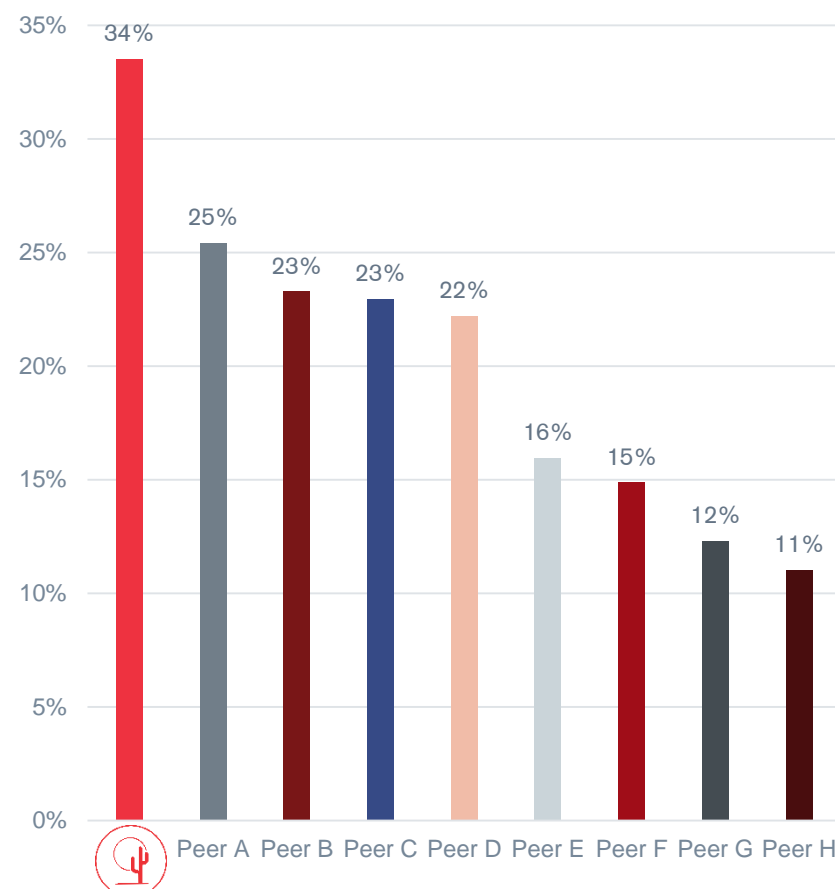


Historical Margin Sustainability Through the Cycle

Historical Adjusted EBITDA Margins (2014 – 2018) ⁽¹⁾⁽²⁾



Adjusted EBITDA Margin (2014 – 2018) ⁽¹⁾⁽²⁾



Strength of margin profile relative to peers maintained through the cycle

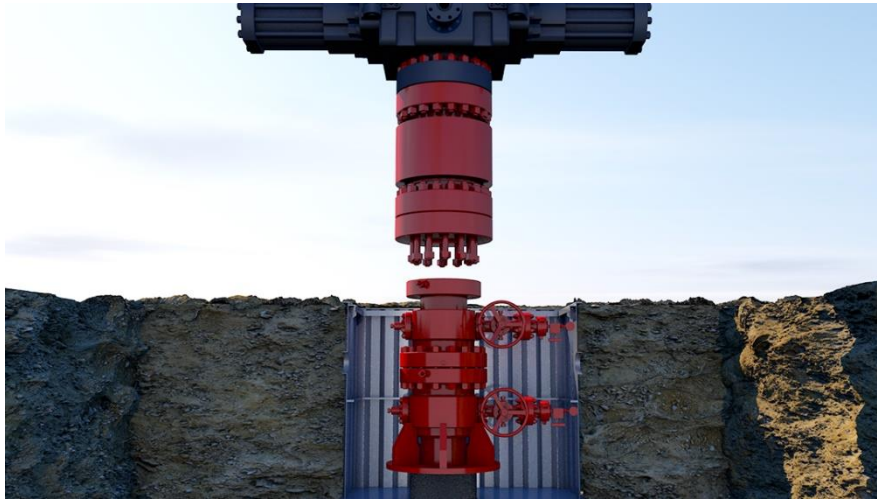
Source: Factset, Company filings.

1. Peer data represents Adjusted EBITDA where available per company filings and presentations. Peers include: Apergy, Drill-Quip, Forum Energy Technologies, Gardner Denver, Hunting, National Oilwell Varco, Oil States International, Schoeller-Bleckmann. Cactus' computation of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies.
2. Cactus data represents Adjusted EBITDA, defined as EBITDA excluding (gain) loss on debt extinguishment, stock-based compensation, and equity offering expenses. The Appendix at the back of this presentation contains a reconciliation of EBITDA and Adjusted EBITDA to net income, the most comparable financial measure calculated in accordance with GAAP. Adjusted EBITDA Margin is defined as Adjusted EBITDA expressed as a percentage of Revenue.



Technologically Advanced Pad Drilling Wellhead Systems

Conventional Wellhead



Cactus SafeDrill®



SafeDrill® Advantages

Safety

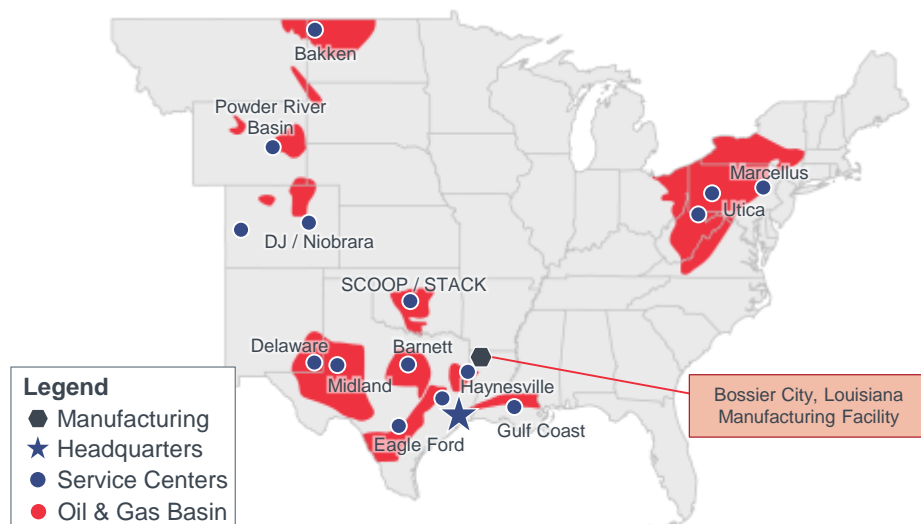
- ✓ Fewer trips into confined space (cellar)
- ✓ No BOP manipulation after intermediate casing has been installed
- ✓ No “hot work” required to cut casing with torch

Time Savings

- ✓ Eliminates time consuming BOP manipulation
- ✓ No waiting on cement after running casing strings
- ✓ Mandrel hangers, pack offs run and set through BOPs



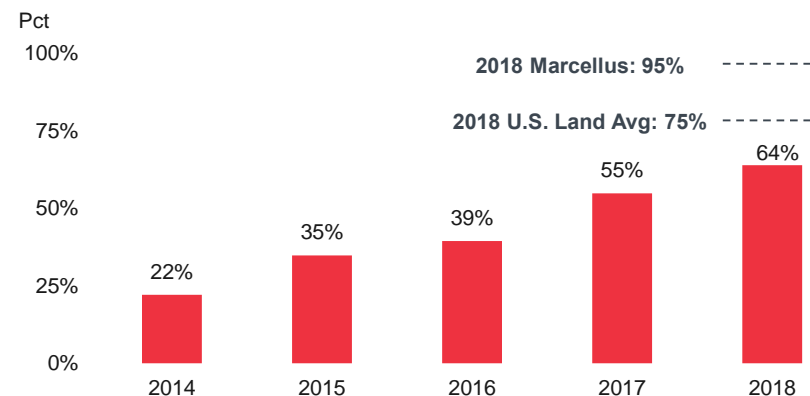
Well Counts and Pad Drilling Drive Our Product Business



Operations & Trends

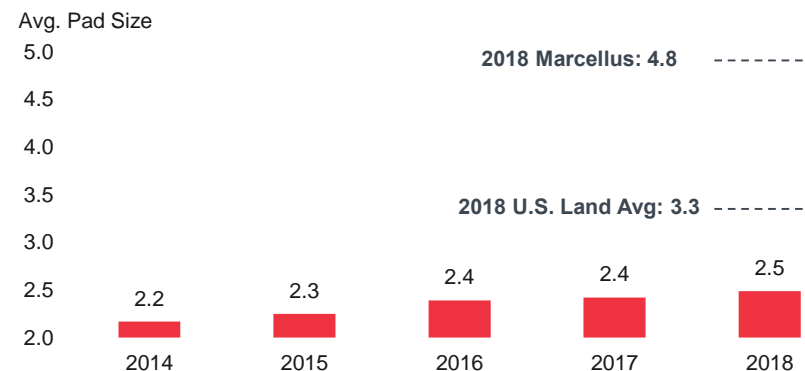
- Well-diversified across all key producing basins
- Service centers support field services and provide repair services
- Products best suited for multi-well pads
- Operators still shifting toward pad drilling and larger pads
 - Key basins still in “middle innings” of shift towards pad drilling

% of Wells Drilled on a Pad (Delaware Basin)



Source: Barclays Research.

Average Pad Size (Delaware Basin)



Source: Barclays Research.

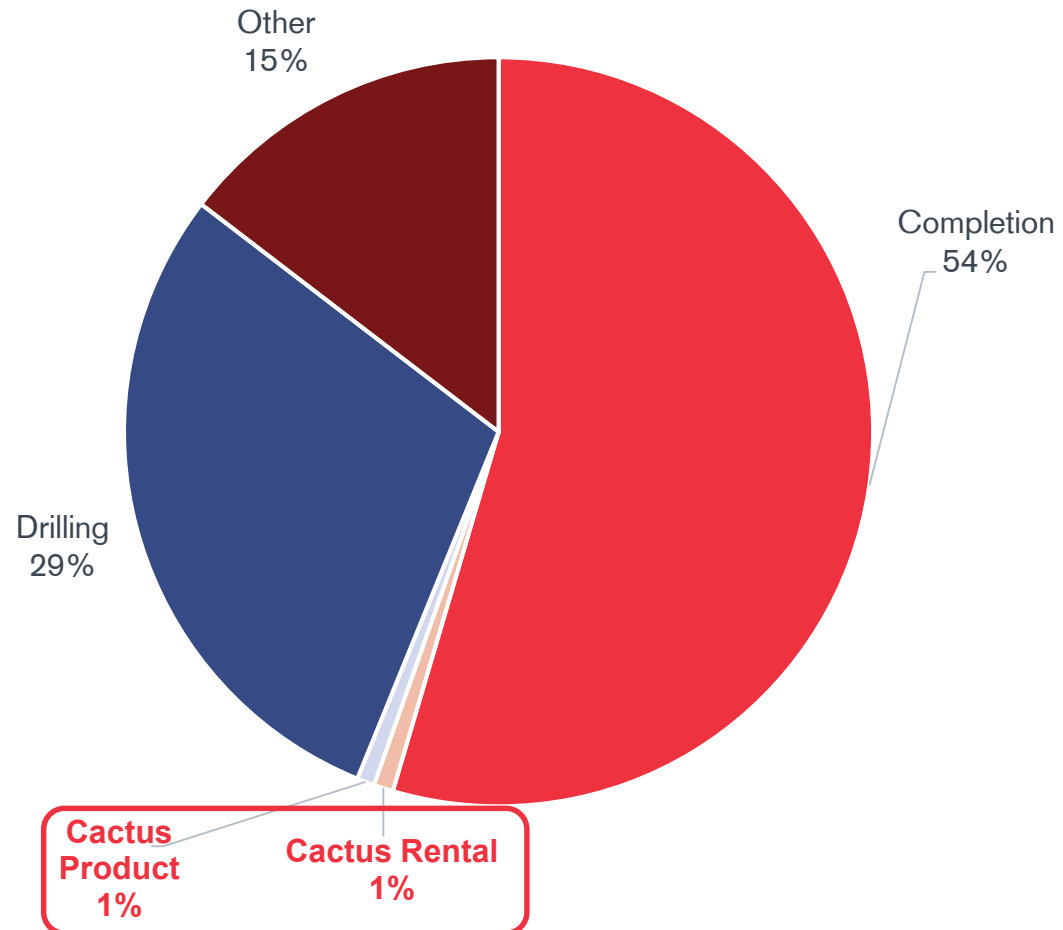


Small Expenditures Can Make Big Impact on Operators

Cactus Value Proposition

- Cactus offerings make up a relatively small portion of the overall cost to drill & complete a well
- Efficiency and reliability can cause a disproportionate amount of benefit for operators
- Operators willing to reward high-quality equipment and service

Components of Onshore Well Costs⁽¹⁾





Focus on Completions Efficiency Drives Our Rental Business

- Growth opportunity for Cactus
- Priced on per diem basis
 - More wells per pad and/or stages per well generally translates into more rental equipment on location for greater periods of time
- Increasing market share
- Proprietary rental equipment offerings enhance wellsite efficiency and generate attractive paybacks
- Deploying recent innovations of complementary rental items to reduce human intervention during completions process to save time and enhance safety
- Expanded capacity of legacy rental equipment in 2018 and continuing to add to equipment fleet in 2019 with emphasis on expanding fleet of new innovations

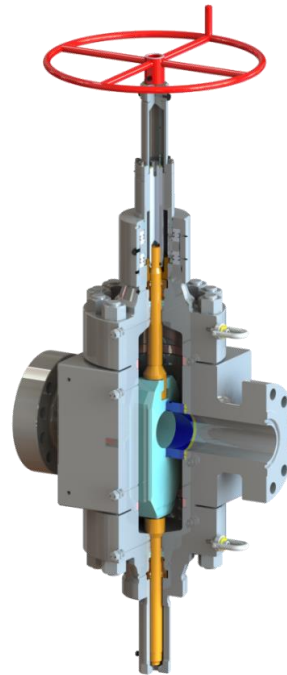




Cactus Completions Equipment Advantage

- ✓ **Designs, manufactures, and rents a range of highly engineered and internally-developed products**
- ✓ **Reliable equipment providers rewarded for reducing non-productive frac time**
- ✓ **Larger pad sizes, longer laterals and more intensive fracs increase duration of rental time**

SB Series Frac Valves



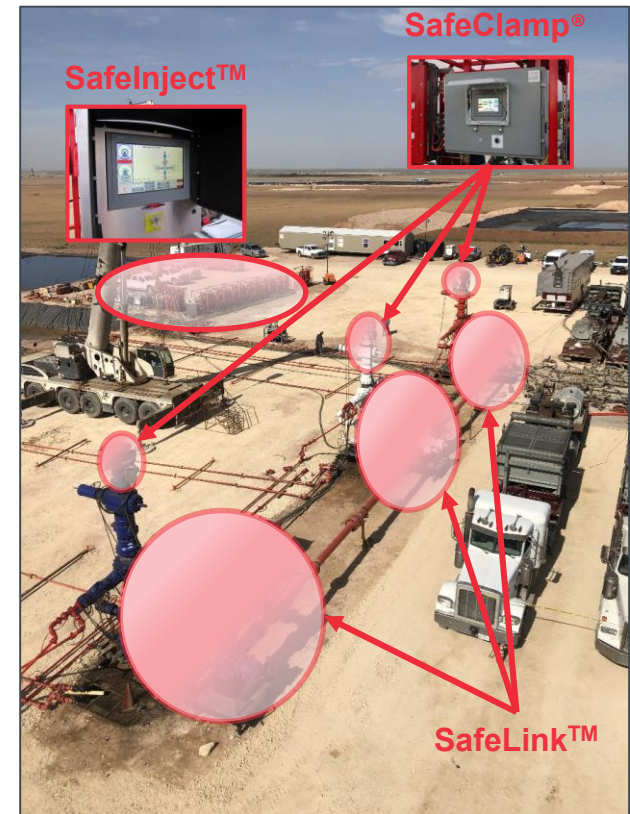
- Built-for-purpose frac valve
- Designed for high-intensity frac applications
- Redundant sealing at pressure exposure
- Patented design reduces downtime and repair costs
- Increased up-time during high-intensity fracs



New Innovations Strengthen Moat in Rental Business

Complement & enhance existing rental offerings while operated by existing Cactus personnel

- Designed to significantly reduce non-productive time by increasing reliability and automation
- Increases safety by removing personnel from the exclusion zone
- **SafeInject™**
 - Remotely operated and HMI controlled method to perform frac tree maintenance and collect valuable data at wellsite
 - Efficient maintenance technique eliminates need for personnel to enter exclusion zone
- **SafeClamp®**
 - Reliable method to connect the wireline lubricator to the frac tree without the need for human intervention within the exclusion zone
 - Reduces NPT associated with transition between wireline and frac operations
- **SafeLink™**
 - Singular & continuous large bore connection between missile and multiple frac trees
 - Minimal space required
 - Reduces rig-up/down time, leaks and maintenance that cause NPT





A Dynamic Manufacturing Advantage; Responsive, Highly Scalable and Lower Cost

Responsive manufacturing in the U.S. supplemented by high volume production in China

Bossier City Facility

- Facility has 16 5-axis computer numerically controlled machines that facilitate rapid-response manufacturing of equipment; two machines installed in 2019
- “Just-in-time” product capabilities allow Cactus to offer fast delivery time for parachute orders
- Roofline expansion completed in 2018



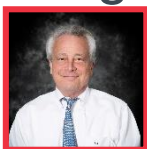
Suzhou Facility

- Cactus sources most of its less time-sensitive, high-volume wellhead equipment in Suzhou, reducing costs
- Wholly foreign owned enterprise (WFOE)
- Expanded in 2017
- Continue to increase product types assembled and tested in Suzhou





Highly Experienced and Well Incentivized Team with Strong Industry Relationships



Scott Bender, CEO



Joel Bender, COO



Steven Bender, VP of Ops.



Steve Tadlock, VP, CFO and Treasurer



David Isaac, VP of Admin. & General Counsel

- Management team is well incentivized as it owns greater than 25% of the business
- Track record of building and successfully monetizing similar businesses
- Strength of leadership is attested by management and operating teams that joined from past ventures

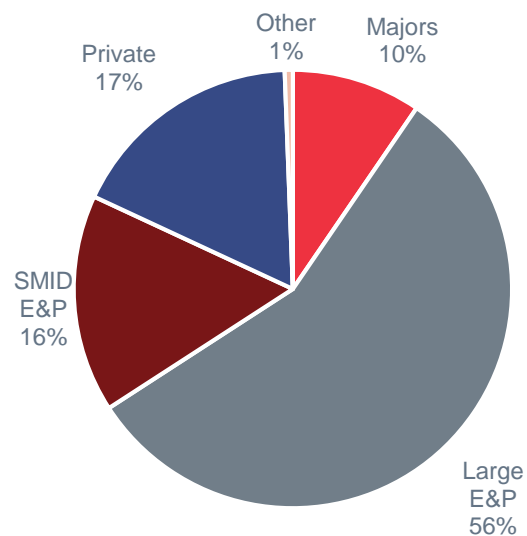


Managers that have followed Scott and Joel Bender to Cactus	Scott and Joel Bender become President and VP Operations, respectively, of Ingram Cactus Company	Scott and Joel Bender appointed President and SVP, respectively, of Wood Group Pressure Control	Scott and Joel Bender found Cactus Wellhead LLC
	<ul style="list-style-type: none">■ QA Director■ Chief Wellhead Engineer■ Sales Director■ Service Center Managers (2)■ Senior Salespeople (2)■ VP of Eastern Hemisphere	<ul style="list-style-type: none">■ Senior Finance Director■ VP of Operations■ IT Director■ Field Services Manager■ Service Center Managers (6)■ Senior Salespeople (5)■ Design Engineers (2)■ Australia General Manager■ China Facility Manager	<ul style="list-style-type: none">■ VP, Chief Financial Officer & Treasurer■ U.S. Manufacturing Facility Manager■ VP of Admin. & General Counsel■ Valve Engineer

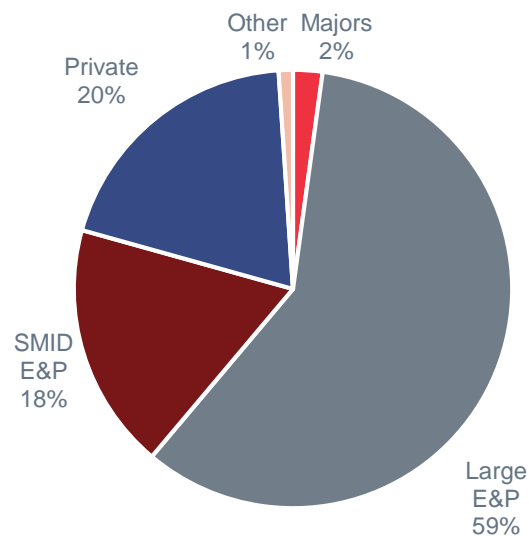


Well Established Relationships with High-Quality Customer Base

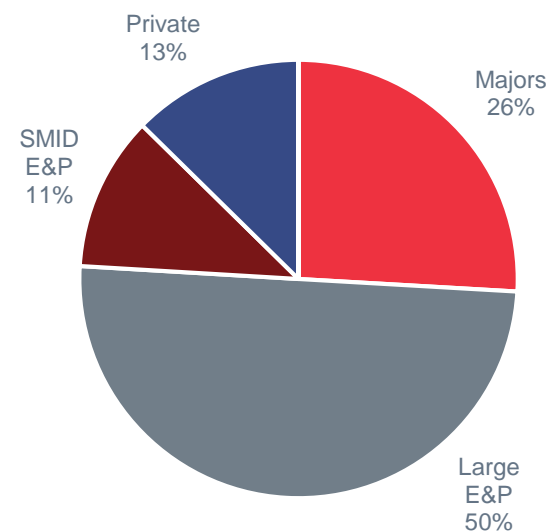
1H 2019 Total Revenue by Customer Type



1H 2019 Product Revenue by Customer Type



1H 2019 Rental Revenue by Customer Type

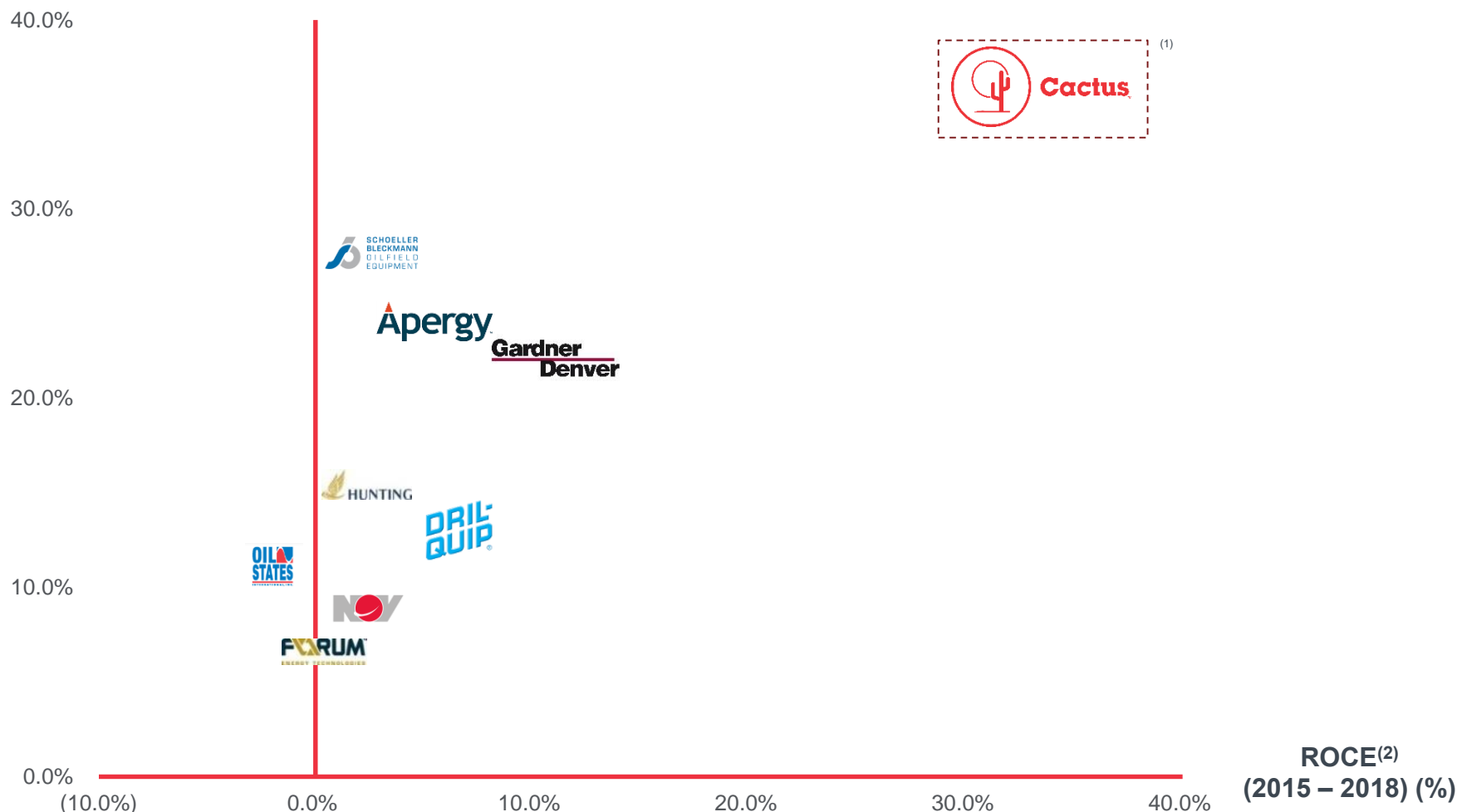


Majority of customer base represented by larger, well capitalized operators



Returns & Margins Have Outperformed Peers

Adjusted EBITDA Margin (%)



Source: Company filings and Factset.

Note: Adj. EBITDA Margins as of 2Q 2019 for WHD, APY, DRQ, FET, GDI, NOV, and OIS, as of 1Q 2019 for SBO, and as of 2H 2018 for HTG. Cactus' computation of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies.

1) Cactus EBIT = Adjusted EBITDA – depreciation and amortization. The Appendix at the back of this presentation contains a reconciliation of Adjusted EBITDA to net income, the most comparable financial measure calculated in accordance with GAAP.

2) ROCE reflects weighted average of 2015, 2016, 2017, and 2018 ROCEs. $ROCE = (\text{Adj. EBITDA less D\&A}) / (\text{Average of the subject year and preceding year capitalization including capital leases})$.



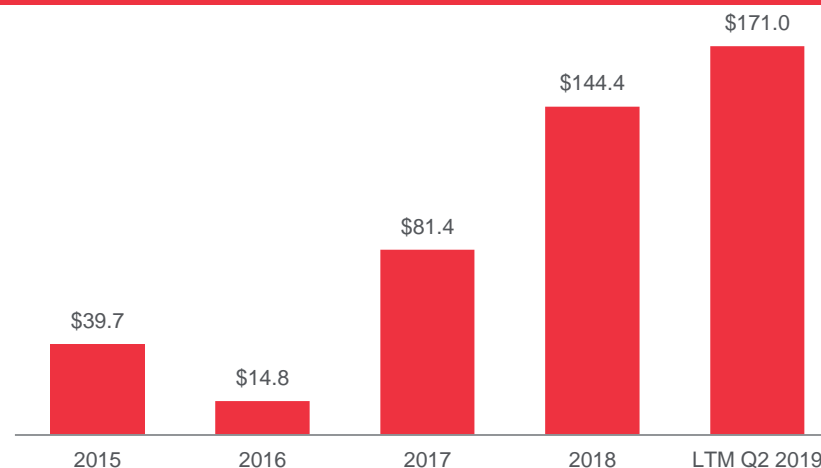
Clean Balance Sheet & Low Capital Intensity

Strong balance sheet with track record of cash flow generation

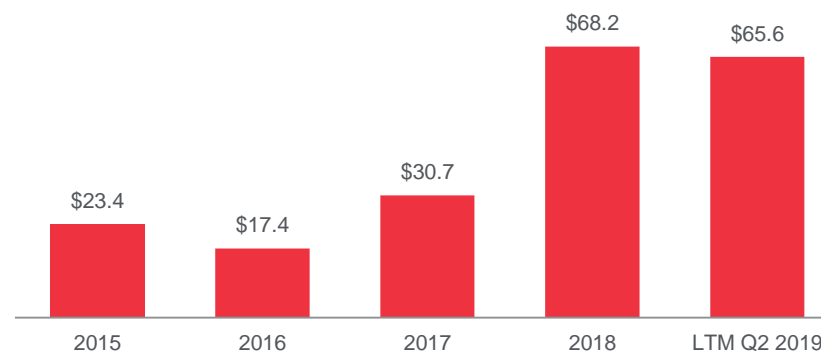
Balance Sheet & Capital Summary

- June 30, 2019 cash balance of \$131.1 million; no borrowings on revolving credit facility
- \$75.0 million asset-based revolving credit facility (\$50.0 million accordion)
- Liquidity and strong cash flows support future growth
- Disciplined growth and financial prudence
- Ability to quickly scale back growth capital expenditures
- Full year 2019 estimated net capital expenditures of \$50 - \$60 million
 - Majority directed toward rental opportunities with increasing emphasis on expansion of new innovation fleet
 - Minimal maintenance capex

Adjusted EBITDA⁽¹⁾ – Net Capital Expenditures⁽²⁾ (\$ in millions)



Net Capital Expenditures⁽²⁾ (\$ in millions)



Source: Company filings.

1) EBITDA and Adjusted EBITDA are non-GAAP financial measures. Cactus defines Adjusted EBITDA as EBITDA excluding (gain) loss on debt extinguishment, stock-based compensation, and equity offering expenses. The Appendix at the back of this presentation contains a reconciliation of EBITDA and Adjusted EBITDA to net income, the most comparable financial measure calculated in accordance with GAAP.

2) Net Capital Expenditures equals net cash flows from investing activities.



Well Positioned in 2019 Following Strong First Half Results

Second Quarter Performance

- Reported record revenue across all business lines
- Product market share reached all time high
- Customers' completions activity showed continued strength from year-end 2018 lows
- Maintained attractive margins while gaining market share

Outlook

- Q3 2019 revenues expected to be down sequentially
 - Product revenues impacted by reduced industry drilling activity
 - Rental revenue likely driven by level of completions activity onshore in North America
- Product margins impacted by additional Section 301 tariffs, although likely able to offset a portion of these cost increases
- New rental innovations expected to represent growing source of revenue over coming quarters
- Cautious regarding E&P spending during the back end of the year given potential for budget exhaustion





Appendix



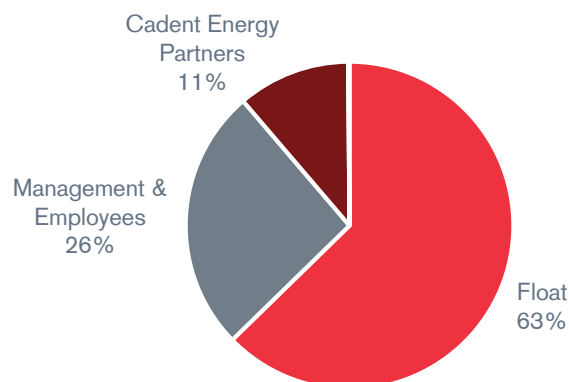


Company Organizational Structure

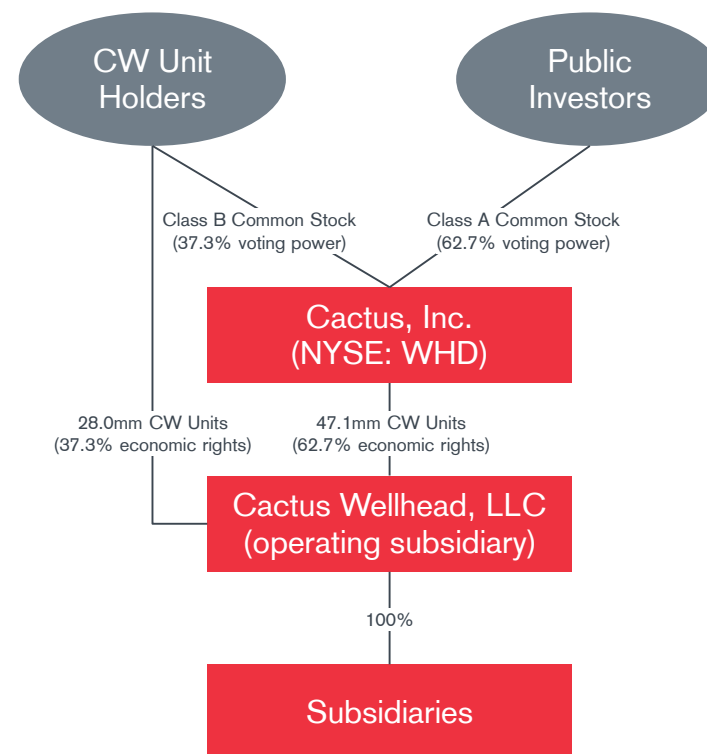
Company Profile

Ticker	WHD (NYSE)
Class A Shares Outstanding ⁽¹⁾	47.1mm
Class B Shares Outstanding ⁽¹⁾	28.0mm
Total Shares Outstanding ⁽¹⁾	75.1mm
Market Capitalization ⁽²⁾	~\$2.1bn
Debt & Finance Leases ⁽³⁾	\$14.3mm
Cash and Cash Equivalents ⁽³⁾	\$131.1mm

Ownership Profile ⁽⁴⁾



Organizational Structure ⁽¹⁾



Source: Company filings.

1. As of July 31, 2019. Excludes effect of dilutive securities.

2. As of August 8, 2019 utilizing total shares outstanding.

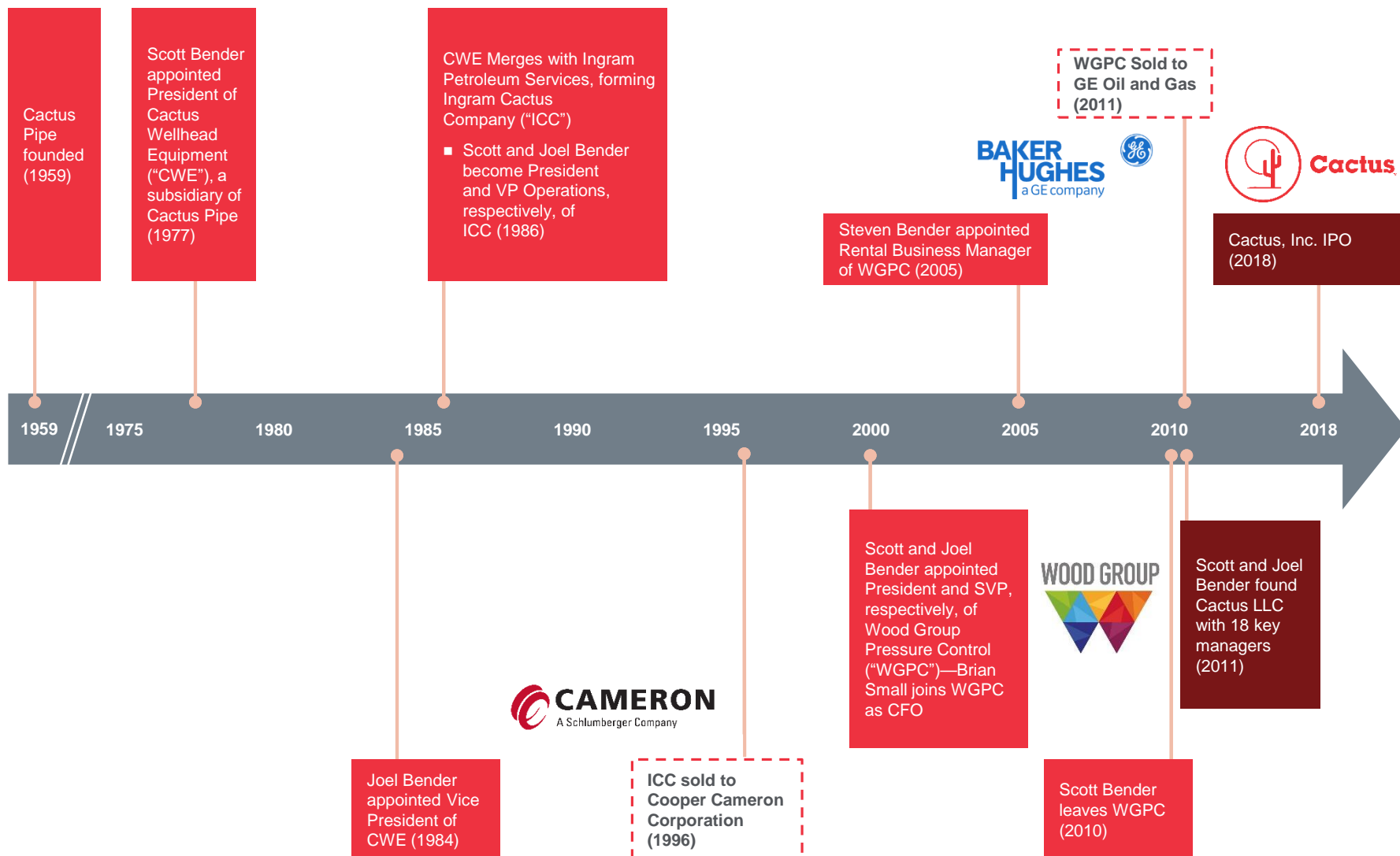
3. As of June 30, 2019, not inclusive of operating leases.

4. As of July 31, 2019. Management and employees made up of Cactus WH Enterprises and Lee Boquet.



Building a Leading Equipment Company

Management team has built the foundation of this company over four decades with a proven track record of success.

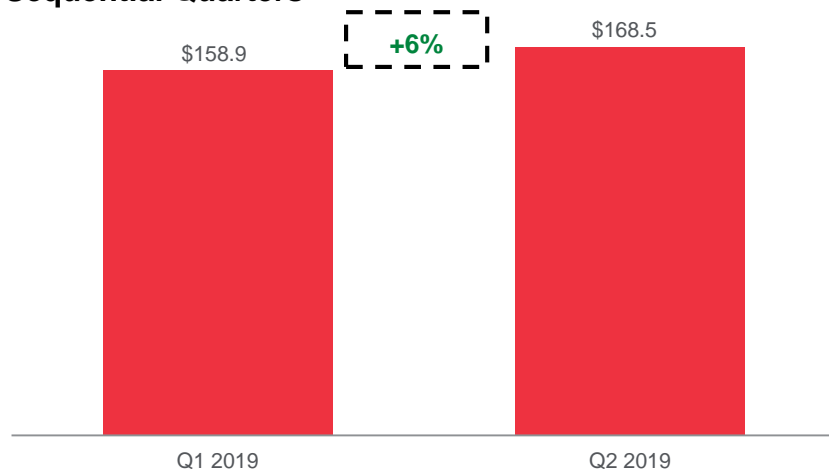




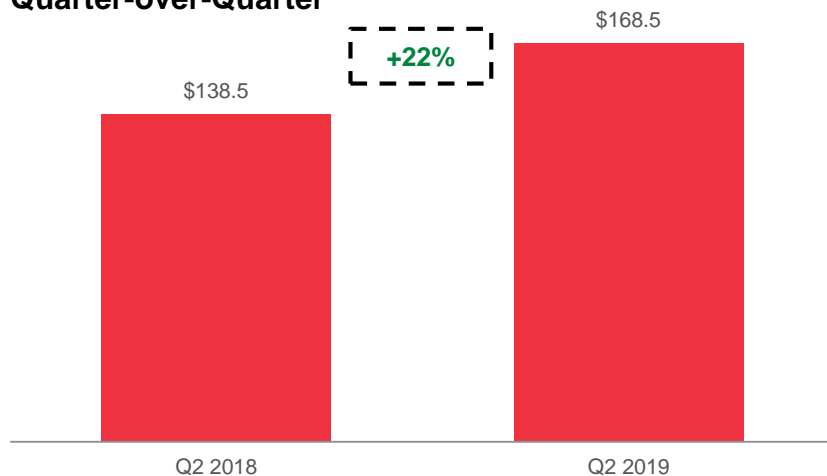
Quarterly Financial Performance

Total Revenue (\$ in millions)

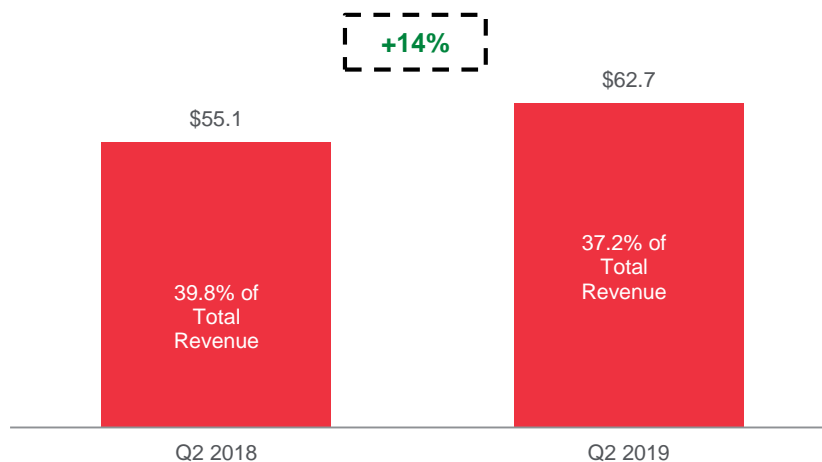
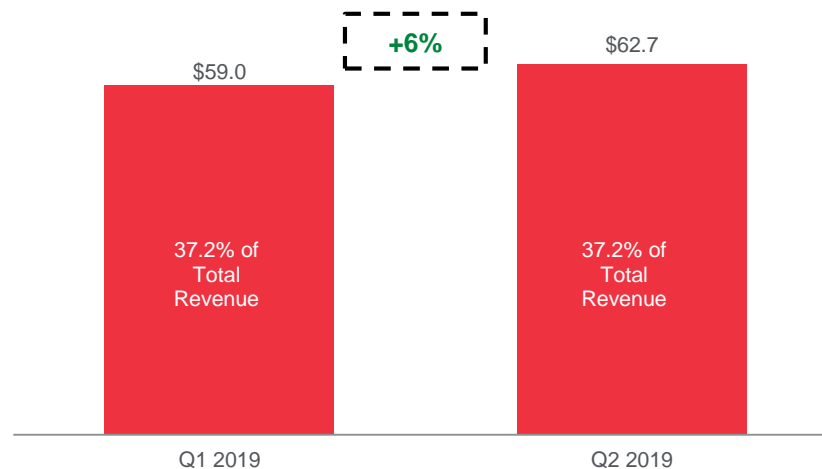
Sequential Quarters



Quarter-over-Quarter



Adj. EBITDA⁽¹⁾ (\$ in millions) & Adj. EBITDA⁽¹⁾ as % of Revenue



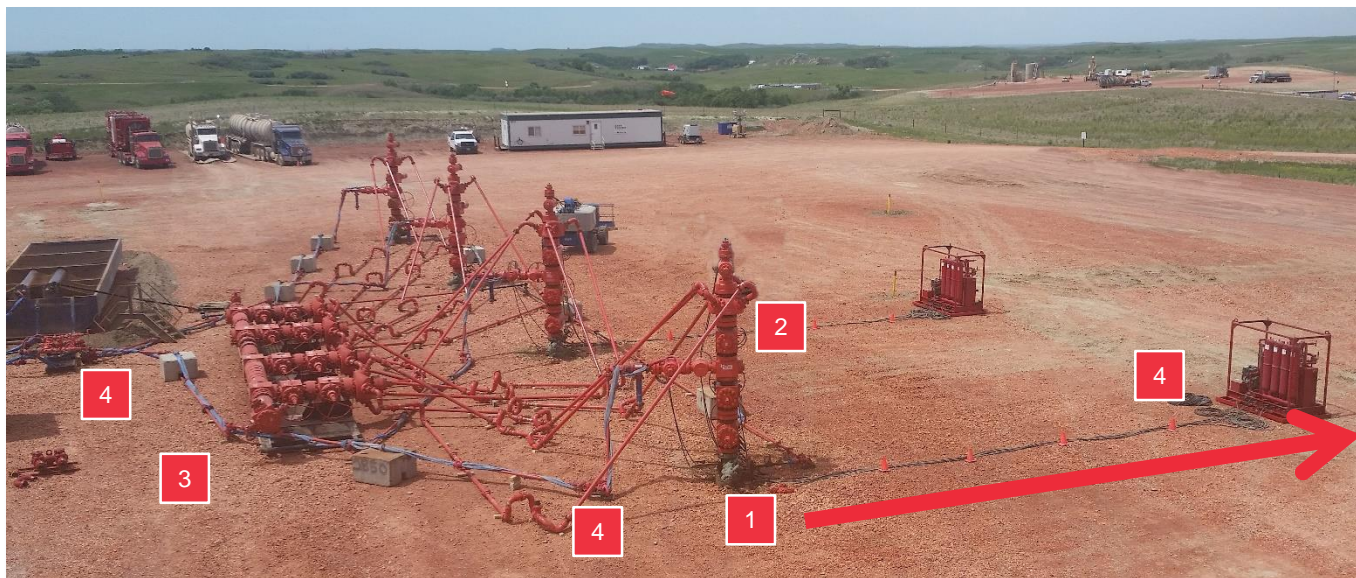
Source: Company filings.

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2) Net Capital Expenditures equals net cash flows from investing activities.



Cactus Equipment Positioned on a 4-Well Pad



1 Product Sold

- Wellheads are required by each well over production life
- One of the first pieces of equipment to be installed
- Cactus wellheads installed below surface

2 Equipment Rented

- Frac stacks are connected to the wellhead for the fracturing phase of a well
- Must reliably withstand all liquids and proppants that are pumped downhole to fracture

3 Equipment Rented

- Zipper manifolds used during the fracturing process
- Allow fracing to seamlessly shift from well to well without connecting and disconnecting high-pressure equipment

4 Services Provided

- Variety of equipment to install and service pressure control equipment, such as high-pressure flow iron, closing units, crane trucks, grease units and testing units

Product Sold

- Production trees (not pictured above) are installed on the wellhead after the frac stacks are removed
- Manage the production flow over the life of the well



Non-GAAP Reconciliation

(\$ in thousands)	LTM	Year Ended				Three Months Ended		
	June 30, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	June 30, 2019	March 31, 2019	June 30, 2018
Net income (loss)	\$171,527	\$150,281	\$66,547	(\$8,176)	\$21,224	\$40,750	\$48,446	\$41,542
Interest (income) expense, net	379	3,595	20,767	20,233	21,837	(93)	(23)	248
Income tax (benefit) expense	22,991	19,520	1,549	809	784	10,793	(973)	4,697
EBIT	194,897	173,396	88,863	12,866	43,845	51,450	47,450	46,487
Depreciation and amortization	34,422	30,153	23,271	21,241	20,580	9,376	8,881	7,367
EBITDA	\$229,319	\$203,549	\$112,134	\$34,107	\$64,425	\$60,826	\$56,331	\$53,854
Secondary offering related expenses	1,042	--	--	--	--	--	1,042	--
(Gain) loss on debt extinguishment	--	4,305	--	(2,251)	(1,640)	--	--	--
Stock-based compensation	6,175	4,704	--	361	359	1,892	1,676	1,263
Adjusted EBITDA	\$236,536	\$212,558	\$112,134	\$32,217	\$63,144	\$62,718	\$59,049	\$55,117
Revenue	\$617,850	\$544,135	\$341,191	\$155,048	\$221,395	\$168,493	\$158,875	\$138,543
Adjusted EBITDA Margin	38.3%	39.1%	32.9%	20.8%	28.5%	37.2%	37.2%	39.8%

*For the year ended December 31, 2014, we had EBITDA of \$88.8 million, representing net income of \$59.1 million, excluding net interest expense of \$11.2 million, income tax expense of \$0.3 million and depreciation and amortization of \$18.2 million. There was no early extinguishment of debt in 2014. Stock-based compensation was \$1.3 million in 2014. Adjusted EBITDA was equal to \$90.1 million. Revenue was \$259.5 million and Adjusted EBITDA Margin was 34.7%.

Important Disclosure Regarding Non-GAAP Measures

EBITDA and Adjusted EBITDA are not measures calculated in accordance with GAAP. EBITDA and Adjusted EBITDA are supplemental non-GAAP financial measures that are used by management and external users of our consolidated financial statements, such as industry analysts, investors, lenders and rating agencies. We define EBITDA as net income excluding net interest, income tax and depreciation and amortization. We define Adjusted EBITDA as EBITDA excluding (gain) loss on debt extinguishment, stock-based compensation, and equity offering expenses. We define Adjusted EBITDA Margin as Adjusted EBITDA as a percentage of Revenue.

Our management believes EBITDA and Adjusted EBITDA are useful, because they allow management to more effectively evaluate our operating performance and compare the results of our operations from period to period without regard to financing methods or capital structure, or other items that impact comparability of financial results from period to period. EBITDA and Adjusted EBITDA should not be considered as alternatives to, or more meaningful than, net income or any other measure as determined in accordance with GAAP. Our computations of EBITDA and Adjusted EBITDA may not be comparable to other similarly titled measures of other companies. We present EBITDA and Adjusted EBITDA because we believe they provide useful information regarding the factors and trends affecting our business.



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